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Liberal party are indicative of the move toward a less inhibited industrial drive.

During the four years, then, between the depression and the inauguration of the Carolist dictatorship, it is possible to find inside Rumania, not to mention the external influences, three quite distinct factors making for the destruction of parliamentary government and the creation of an authoritarian regime:

1) Carol's own personality and his streamlined interpretation of the old-fashioned prerogatives of a monarch;

2) The unrest and growing extremism in broad sections of the population, which was finding a mouthpiece in the Iron Guard;

3) The economic policy of neoliberalism, which not only carried overtones of a more authoritarian state but through the centralization of economic power and control increased the possibilities of creating such a state.

While the general atmosphere of these years of neoliberalism resembled Manoilescu's teachings in its industrial protectionism, increasing economic nationalism, and growing corporatism, there was an important difference: contrary to Manoilescu's thesis, agricultural protection was maintained and extended. During the years 1935 to 1937 there was a complex system of minimum prices, state purchases, and export bounties for wheat. By the law of 1935 the government paid a minimum price of 35,000 lei for 10 metric tons of wheat weighing 75 kilograms per hectoliter. An export premium financed by a tax on milling, paid 10,000 lei per ten-ton truckload of wheat, and 12,000 lei per truckload of flour. This premium was dropped with the rise in agricultural prices but was reapplied in 1938. A Wheat Valorization Office was formed to supervise these payments and to improve the quality of wheat. Similar steps were taken for medicinal plants, textile plants, and wool.

In 1936 Rumania signed a series of wheat export agreements with Belgium, the Netherlands, Greece, Italy, Germany, the United Kingdom, and other states. Foreign trade in grains was also assisted by an extremely complicated system of taxing imports to pay for export bounties and permitting the exporter to keep a portion of the free exchange obtained by his exports. In general these measures, which were aimed at maintaining the commercial balance, had a beneficial effect in supporting the price of agricultural products and in increasing exports. Between 1934 and 1937 agricultural prices rose from 44.1 (1929 = 100) to 64.6; the value of agricultural production increased from 42 to 62 billion lei; the value of cereal exports rose

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were initiated, at least on paper. The 1938 Constitution, by prohibiting any public discussion of redistribution of property, showed the regime's attitude toward further expropriation as a remedy to the agrarian question. During the interwar years the governments were accustomed to state that large estates had virtually disappeared through the reforms of 1918–21, but after 1938 increased attention was paid to medium and large properties.[4] In the law of December 5, 1938 (amended January 7, 1939) the government established a Bank for the Industrialization and Valorization of Agricultural Products (BINAG), one of the recurrent efforts to provide agricultural credit. It is to be noted, however, that by Article 6 of this law the main credit functions of this bank applied only to farms of over 5 hectares, thus overlooking the majority of the peasantry.[5]

The spirit of the regime is well shown in an article by the agricultural economist Valeriu Bulgariu,[6] who announced that King Carol, "the first farmer in the land," had plans to change completely the existing conditions in agriculture by a twofold effort to organize small farming on rational lines and to encourage owners of medium-sized estates to increase the area of their holdings.

> When the great land division took place after the war, the agrarian reform went too far. . . . It assigned land to a very large number of villagers, and as a result subsequent successive divisions had increased the excessive subdivision of land. Reaction was necessary, and to-day economists and sociologists are in favor of the concentration of scattered property, a policy adopted by the government and all its agents.[7]

The desirability of concentrating peasant holdings was no new discovery, and Carol's regime for all its new direction was not a bit more successful than previous regimes in doing anything about it. The policy of creating larger holdings, also no novelty, was faced as always by the difficulty of creating them without dispossessing peasants in the process. According to Bulgariu,

4. See, for example, Aureliu Lăpedatu's article, "A Technical Study in Rumanian Cereals," *Correspondance économique roumaine* (April–June, 1938), pp. 1–28, in which the author discussed the manifest advantages of the large Rumanian farms in the use of technical equipment for rational cultivation.

5. The same thing is to be seen in the case of the cooperatives. According to A. Galan, "General Survey of the Co-operative Movement in Rumania," *Correspondance économique roumaine* (January–May, 1939), pp. 1–65, in 1939 one farmer in three was affiliated with one of the several agricultural cooperatives. Unquestionably the other two-thirds included the poorer peasants.

6. Valeriu Bulgariu, "Agrarian Policy in Rumania," *The Banker*, 49 (March, 1939), 344–348.

7. *Ibid.*, p. 346.

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661 proletarian justice and the introduction of the death penalty for treason, espionage, and economic sabotage, proved an efficient weapon 642 in this attack. The creation, announced in January, 1949, of People's Councils as the organs of local government was to provide the basic [641] unit for the administrative hierarchy and to pave the way to a socialist society. In September, 1949, a State Control Commission was formed "to develop the spirit of responsibility toward public property, to wipe out bureaucracy, to verify the carrying out of government decrees, and to prevent sabotage in the work of building socialism." Avram Bunaciu, Pătrășcanu's tougher successor at the Ministry of Justice, became head of this commission, which promised to be a very formidable instrument.

642 Along with the consolidation and coordination of the political and administrative apparatus came a marked shift in the party line from what it had been at the end of the war. The original program sought a government friendly to the U.S.S.R. and in which the workers' front would operate in coalition with middle-class parties. After 1947 not only the fact but even the pretense of collaboration was dropped. At the end of that year Gheorghiu-Dej said,

> The resignation of Tătărescu and his group means the removal of the last representatives of the reactionary bourgeoisie from the government; it means that the proletariat and its allies no longer share state power with the representatives of the exploiting classes. . . . The proletarian vanguard, in close alliance with the peasants and the progressive intelligentsia, is the backbone of the government.[15]

By 1949 the People's Democracy was explicitly defined as fulfilling the functions of the dictatorship of the proletariat. It was distinguished from the Soviet form because it was possible, through the assistance of the U.S.S.R., to establish the dictatorship without civil war. In the People's Democracy, unlike the Soviet, the old state apparatus was not immediately smashed; bourgeois elements were retained for a time.

> But only with the establishment of People's Councils—local organs of state power built on broad democratic lines—will the new state apparatus be created, corresponding from top to bottom in every way with the aims and tasks of the new state and adjusted to the tasks of building Socialism. . . . The establishment of the People's Councils signifies

15. *For a Lasting Peace, for a People's Democracy* (January 1, 1948). (Published in Belgrade until December, 1948; subsequently in Bucarest.)

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proposed measures was very similar to those brought forward repeatedly by various Rumanian governments in the preceding twenty-five years. Great publicity was given to state-operated agricultural machine stations which were to enable the peasant to mechanize his cultivation; from the beginning, however, this measure was regarded as a powerful potential lever in the hands of the state to direct agriculture. The promise of an agricultural machine industry was also a familiar item of earlier programs. Other recognizable projects were land reclamation, the creation of better experimental stations, improved agricultural education, more credit, a vigorous cooperative movement, development of agricultural industries, a scientific land survey, and the encouragement of animal husbandry.[28]

In 1945 the government created a National Cooperative Institute to assist agriculture, but its principal function appears to have been grain collection.[29] In November, 1946, appeared a new organ, REAZIM, an autonomous administration for developing agriculture, animal husbandry, and the use of agricultural machinery. REAZIM took over most of the state functions for agrarian improvement, rationalizing cultivation, supplying seeds and equipment, executing production plans, and managing agricultural machine stations.

Although many of these projects resembled those proposed by earlier regimes, it was obvious that the Communists had no intention of permitting Rumanian agriculture to proceed in its traditional rut. Even in the first phase of ostentatious silence about collective agriculture, the nature of the reforms, or rather the absence of certain reforms, provided an indication of developments to come. In its plans for agricultural improvement, the regime appears to have laid little stress on the desirability of consolidating holdings in private ownership, and the 1948 census showed the fragmentation of properties to be just as extreme as in 1941. The emphasis was upon increasing cereal output through mechanization rather than upon the intensified and diversified cultivation suitable to peasant farming. When, as a consequence of the 1946–47 famine, poor peasants began to sell their holdings, the government took steps to cancel sales to rich farmers. All these moves showed that it had no intention of fostering the growth of an independent, potentially capitalist peasantry on the

28. See, for example, the two pamphlets outlining the government's plans for intensifying livestock raising and for land reclamation: *Intensificarea creşterii animalelor în cadrul refacerii economice* (Bucarest, 1946), and *Îmbunătăţirile funciare în agricultura românească* (Bucarest, 1946).

29. In 1945 INCOOP was granted 57 billion lei for the collection of grain, of which 13 billion was for deliveries to the U.S.S.R., 8 billion to supply Soviet troops, 1 billion to supply the Rumanian army, and 35 billion for the civil population.

THE POST-WAR PERIOD

May 7th, 1932, solicited the King's intervention, and demanded that their emoluments, already four months in arrears, should be paid. Those of Balţi appealed to the Press on the same date, complaining that nothing had been paid them during the last five months. A general strike of the members of the teaching profession is being talked about if a remedy is not found. They are incensed by the fact that while public money is being squandered on useless objects and worthless individuals at Bucarest, humble functionaries in the provinces are left to famish.

The "Adeverul" of Jan. 19th, 1932, takes the Government to task for paying regularly its superior functionaries and neglecting the lower grades as well as its pensioners, and proceeds to relate particulars as astounding as they are scandalous, namely details about famishing teachers who are forced to beg for morsels of bread from their pupils ! Such facts are really staggering, and when one recollects that France is generously advancing in instalments a loan of over one hundred million francs for the exclusive purpose of enabling the Rumanian State to pay its functionaries and pensioners, one demands what has become of this money and whether these funds have not again been diverted in the habitual manner to other purposes or pockets than those destined by the original providers of these sums ?

The inept waste of public money at this critical period is simply revolting. The press daily reveals cases of gross extravagance and profligacy, while in the Chamber it has been admitted that the State keeps in its employ over 50,000 redundant functionaries. The "Argus" of May 5th, 1932, for instance, points out that the Ministry of Commerce and Industry maintains without any justification a sub-secretariat with a personnel of 116, among whom are twelve solicitors, one architect, one doctor of medicine, 14 chiefs of sections, etc, at an annual cost of 15,176,900 lei to the State, while on April 1st, 1932, the paper condemned at length the waste involved in the maintenance of a Faculty of Medicine at the University of Bucarest with a staff of 400 professors and assistants, while the total number of students matriculated to this faculty reached barely 900.

The paper likewise affirmed that there was a scandalous

647 652 prodigality displayed in the lavishing of big salaries on certain functionaries occupying inferior posts, salaries which were altogether disproportionate with their functions, and that this form of favouritism was rampant in every administration. These remarks of the "Argus" are certainly not amiss, and it could be added that the faculty of Law has a greater number of Professors than the corresponding faculty of the Paris University. In its issue for the 14th May it criticizes the War Ministry for undertaking the construction of an arch of triumph in Bucarest, a matter which obviously is not one of pressing importance. The same could also be said about the Royal Palace at Bucarest, which is being enlarged and renovated. The "Curentul" of 6th May, 1932, discloses that the State maintains a school of gamekeepers at an annual cost of 1,512,000 lei and demands its prompt closure. In its issue of May 19th, 1932, it virulently condemns the Government for allowing fifty of its parliamentary supporters to undertake a voyage of relaxation to Constantinople, Jerusalem and Cairo, during the Easter holidays of 1932, at the expense of the State. It may be remarked that Rumanian governments often recompense their partisans by attaching them to various missions sent abroad so that they may enjoy free trips. Thus at the recent Balkan Conferences it was remarked that the number of Rumanian delegates often equalled the joint numbers of Albanian, Bulgarian, Greek and Yugo-Slav representatives. The "Dreptatea" of May 19th, 1932, takes the Government to task for not paying its functionaries, yet finding some 800,000 lei for the purchase of books for the public libraries, and delegating to Paris two public functionaries at a cost of 40,000 lei for making the purchase of the said books from a French publishing firm.

The "Argus" of May 6th, 1932, in a leading article insists that this costly and luxurious organization with which the Rumanian State has been endowed should be got rid of, and order and sobriety introduced, for otherwise neither loans nor assistance from without will be of any use. In 1929 and 1931, 24 milliard lei were borrowed; of this sum almost nine milliards were absorbed to cover previous deficits, and yet to-day, assures the "Argus," Rumania is no better off.

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There is a deficit of five and a half milliards left over from the years 1930/31, and of 1,100 millions arising from the first three months of the current year. In all, a deficit of six and a half milliard lei, which is entirely due to bad management.

To these budget deficits should be added some ten milliard lei, owing by the State to various local contractors and industries, the non-payment of which has caused an enormous prejudice to the internal economy of the country, since these enterprises, having all their liquid funds "frozen up," have been obliged to stop their activities and dismiss their staffs, thereby intensifying the crisis.

The legislation recently passed by the Government has also had a most unfortunate repercussion on the general situation. Thus the law sanctioning the cancellation of agrarian debts has resulted in the ruin of almost every bank in the country, for, with a few rare exceptions, all have directly or indirectly advanced money to agriculturists, who by this law, promulgated in April, 1932, are dispensed from their obligations to the extent of 50 %, while the remaining 50% is rendered recoverable within 30 years. No compensation whatever is granted by the State to the banks or to private individuals who had been unfortunate enough to have advanced money to the peasants, even on the security of a mortgage. The result is that almost every banking institution and thousands of people have been ruined at one stroke.

This measure has not met with the general approval even of the peasantry, for the most prosperous and enterprising among them, who naturally had placed their savings in the banks, have thereby lost their money, since all the rural banks have been rendered insolvent. The total cessation of all credit, which has naturally followed the suspension of banking operations in the rural districts, has caused immense loss to the farmers, who can no longer borrow money even for their most pressing needs. Another law, that of the so-styled "Liquidation Judiciaire," completes and intensifies the evils fostered by that of the "Concordat preventif," rendering all commercial debts practically irrecoverable without the condescension of the debtor. Such measures are

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indicative of the complete chaos which prevails in the minds of those at the helm of the State, and who, seeing the *impasse* to which they have brought the country, appealed to France to send a mission of financial experts to devise means whereby Rumania may be extricated from the morass in which she has been entangled. This mission, headed by M. Rist, former adviser to the Rumanian National Bank, has arrived at the end of April, 1932, and is preparing a report which apparently is to recommend a drastic curtailment of the government staffs, and a reorganization of the tax-collecting system. Though exceedingly discreet, these advisers could not help expressing their astonishment at the bungling methods obtaining, and several higher officials in the Ministry of Finances have been summarily dismissed in consequence of their gross incompetence. Surprise, too, has been expressed at the number of officials employed in the Ministries of War and Public Instruction, 33,533 and 82,821 respectively, staffs more numerous than in the corresponding institutions in France, a country noted for its bureaucratism. The activities of these foreign advisers, who, after all, had been invited to come, and who are rendering a signal service to the country, have given rise to an outburst of xenophobia which is truly surprising. The press, with a few rare exceptions has protested against this immixture in the internal affairs of the State, which it pretends to regard as an affront to the national dignity, and has not wearied of insisting that Rumania should desist from paying her external debt service, which absorbs some six milliard lei per annum. Such a solution seems natural for a State which condones the annulment of all pecuniary engagements of the most numerous class of its citizens, as is provided in the law concerning the cancellation of agrarian debts. However, the Government seems unwilling to go so far, and it declares on all occasions that it will fulfil its foreign obligations in spite of the heavy sacrifices this decision may entail. Already it has taken the cue given by the French experts, and promptly dismissed five Under-Secretaries of State, early in May, 1932. The fall of the Tardieu Cabinet, which seemed disposed to extend a loan to Rumania on certain conditions, may now induce the Rumanian government to retrace its steps to a

certain extent, as apparently the new French government will be less inclined to make financial advances. Nevertheless the Cabinet will hesitate to assume the responsibility of openly defaulting, lest such action should be resented by France and to a lesser extent by England, and bring about Rumania's political isolation in face of Russia. So that, strange as it may seem, the dread of the Bolsheviks may contribute to the respect of engagements, the repudiation of which would be applauded by the latter.

The press organ of General Averescu, the "Indreptarea," in its issues of 12th and 18th May, 1932, contains some interesting comments on the findings of the French experts. It thus affirms that the experts have ascertained that there is a lack of control in the handling of the public funds, that there is a great redundancy of officials, and that huge frauds are committed at the expense of the State revenues. As an example, the case of the revenue from the Customs was given, which was estimated at 1,200 million lei, yet only yielded 400 millions, the balance of 800 millions having been fraudulently diverted to other pockets than that of the State. M. Rist, affirms the "Indreptarea," had recommended a compression of the expenses through the dismissal of a large number of functionaries, and the creation of a control of all payments made to the State so as to eliminate the numerous frauds to which the Budget deficit is principally due. If these reforms were effected, Rumania, according to M. Rist, could fulfil her external obligations. However, the findings of the experts were not likely to enhance the prestige of Rumania in Paris and it hardly seemed likely that the French would now keep their promise made to M. Argentoianu to give pecuniary assistance to Rumania, unless they were allowed to exert a control which would be tantamount to applying to Rumania the status of what in its essence would be a colonial dependency. Such measures, if their acceptance were advocated by the Government, would weaken its prestige to such an extent that it could no longer maintain itself in power, even if it enjoyed royal support. The weakening of its authority was manifested by its decision not to allow the holding of municipal elections which were to take place in

POLITICS.

POLITICAL PARTIES.

The Liberal or Bratianu Party.—The regular system of party government composed of two great political parties, the Liberal and Conservative, which had ruled alternatively in Rumania during the reign of Charles I, came to a close with the Great War, which brought about the dismemberment of the Conservatives. It was an arrangement based on the "spoils" system, and entailed a change of the majority of state officials with every change of government. This instability of tenure of all posts in the Civil Service necessarily encouraged corruption, but it may be said that it was a political system which for the time being made on the whole for stability and assured to Rumania an immunity from revolts and crimes by which other States of South Eastern Europe had distinguished themselves during the same period.

It is regrettable that both parties had neglected to create a contented class of peasant proprietors which would have constituted a sound bulwark against the onset of disintegrating forces let loose by the war. Instead, great land and financial monopolies closely connected with the personnel of these two political parties were fostered.

The agrarian revolution led to the elimination of the Conservatives, while the Liberal party retained its vigour owing to its grip on the economic life of the country. Owing to the absence of a powerful rival, the Liberal party became the supreme arbiter in the land during the first decade following the conclusion of the war. But, from a political party it had degenerated into a coterie aiming solely at the exploitation of the country for the benefit of its partisans, and, as such, though firmly established in the old kingdom, seeing that it constituted the main avenue by which one could accede to political life, it was unable to extend its influence in the newly incorporated provinces, where, fortunately, other political conceptions prevailed.

It had identified itself with the Bratianu family, which exerted an autocratic sway over it. After John Bratianu's death, in 1927, the leadership passed to his brother Vintila

563 668 would obtain equal grants, while officials would be nominated proportionately to the numbers of each nationality.

Count Bethlen, however, desired to justify the millions spent on the revisionist campaign and demanded the revision of frontiers, namely the retrocession of the Hungarian towns bordering on the frontier (Arad, Oradea-Mare, and Satu Mare). The advisers of King Carol considered that the present frontiers of Rumania were final, and in order that the idea of a personal union be rendered acceptable to the Rumanian people, all reference to a revision of frontiers should be dropped as it was sure to provoke a fiasco, all the more so since the Liberal party was known to be hostile to the idea of a personal union. The Rumanians would accept the scheme only in case Hungary agreed to recognize the actual frontiers without rectification and in exchange for the other concessions. It was on this point that the negotiations came to a standstill. Count Bethlen was bound by engagements towards the revisionist group. According to his conception, only Transylvania was to remain under Rumanian rule as a Duchy, while other parts were to revert to Hungary."

In conclusion the paper stated that "the interview left painful recollections with Count Bethlen who now talks of an alliance with Italy and Austria."

The Dobrudja.

563 166 657 647 If the state of the minorities in Transylvania may be stated to be relatively satisfactory, taking into consideration the general shortcomings of the Rumanian administrative system, it is to be regretted that as much cannot be said of the Dobrudja, where both the Turkish and Bulgarian minorities, living in compact masses, have well-founded grievances. One of the main causes of dissatisfaction has been the ill-considered plan of the Rumanian Government to colonize southern Dobrudja with Kutso-Vlachs from Macedonia. Without making any adequate preparations to provide these people with dwellings, food and clothing, it proceeded to billet them in the small cottages of the Bulgarian and Turkish farmers which were barely sufficient for their owners. The newcomers being destitute, had no alternative to that of

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a life of rapine, a matter which led to bloody encounters followed by mass arrests of the local population. The latter had been further embittered by the State seizing one-third of their lands, no compensation whatever being given, even in cases of these lands carrying growing crops. Such was the tension that had been created that on the advent of the Maniu government, both M. M. Vaida-Voevod and Mihalache considered it imperative to intervene in order to put a stop to the abuses and the provocations that both Turks and Bulgarians were subjected to. The intercession of the leaders of the National Peasant Party caused extreme ill-feeling in Chauvinist circles which fomented a violent agitation against what was represented as treachery to the Rumanians. This culminated in the assassination of an under-secretary of State by a hot-headed student. The Maniu government had delegated a commission to study on the spot the complaints of the population of the Dobrudja and prepare a report, a summary of which was published in the "Adeverul" of March 4th, 1929. In this we read that "the enterprise of colonizing the Dobrudja had been left without control and had become a means of exploitation and the furthering of personal interests," that the system of quartering the colonists on the Bulgarian and Turkish inhabitants "led to an unbearable state of affairs causing endless conflicts." As for the situation of the colonists, the report shows that the ineptitude of the Rumanian authorities transcends all imagination, "out of 10,000 heads of families only 15 had received monetary help from the government, the lands that were to be allotted to the colonists remained in possession of State functionaries. The colonists had no houses nor timber wherewith to construct them." As a consequence of this report the Maniu Government created a special commissariat for building houses for the colonists, 1,257 of which were built in 1929, 938 during 1930, and 1,200 in the course of 1931, at an average cost of 44,000 lei each.

The situation, unfortunately has not improved, and murders of Turks and Bulgarians by the Kutso-Vlachs are frequent. What is most regrettable is that they are left practically unpunished, as has been the case with the murderer of one of the leaders of the Bulgarian minority, the

[164] late C. M. Stephanov, who was also a member of the
657 Rumanian Senate. The main cause of the effervescence that
563 still subsists is this ill-advised scheme of planting the destitute
[647] Kutso-Vlachs on the farms of the aboriginal inhabitants, proof of which has been given by M. Georoceanu in a booklet he has published. M. Georoceanu was formerly a member of the Rumanian Senate during M. Maniu's tenure of office.

It may be added that the Bulgarians complain of not
[658] having a single school in their villages, and that when they presented petitions for opening such their signatories had
[659] been prosecuted. Bulgarian priests are no longer allowed to be nominated, and those that still remain are being gradually replaced by Rumanians who officiate naturally in their own language which is not understood by their flocks. A lesser
[204] wrong which receives the condemnation only of the intellectuals, is the ban on Bulgarian newspapers and periodicals. Their introduction into Rumania is prohibited, and though a few months ago the Bucarest press announced that this embargo would be raised, yet as late as April, 1932 the police authorities in the Dobrudja had received no intimation of
563 this commendable measure. It is obvious that all these
648 grievances could easily be removed with a little goodwill on
667 the part of the Rumanian government, and to the westerner it is incomprehensible that the latter should make no effort to safeguard the happiness of hundreds of thousands of human beings whose destiny has been entrusted to its hands. For it is not only the elementary duty of a government to care for its subjects, but in this case even political reasons dictate the following of a more humane and civilized policy. The bulk of the population being Bulgarian, and having for forty years enjoyed an independent existence, is utterly unaccustomed to such maladministration as it is now experiencing. It is therefore natural that it should be soliciting the intercession of the Bulgarian government under whose suzerainty it lived until recently. This is a course that creates friction between the two governments, keeps open an old sore, and embitters and strains relations between Bulgaria and Rumania. The former country would incur every sacrifice in order to ensure Rumania's friendship, and

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it is most regrettable that Rumania, on account of this constitutional impassibility from which she suffers, should neglect the accomplishment of a simple duty that would simultaneously ensure the pacification of a province and the friendship of a neighbouring State. Even Sir Ian Hamilton in one of his books extended this advice to Rumania: "If she values her life let her make it up with Bulgaria whilst she is in the gate." (The Friends of England, p. 130). But so far this soldierly exhortation has not been heeded.

Bessarabia.

"Twelve years of Rumanian rule has alienated Bessarabia more than a century of Russian administration," declared Constantine Stere, the veteran Bessarabian politician who may be considered as the mouthpiece of the population of that hapless region. If one wishes indeed, to form an idea of what the combined evils of corruption, ineptitude, nepotism, and inefficiency can bring upon a land he should visit Bessarabia. It is a standing disgrace, a festering sore, a danger point that will cause a fresh conflagration the moment the Russians across the Dniester can divert their attention from their economic plans to engage in world politics. Such is the desperation of the local population, their utter aversion to Rumanian misrule, the pessimism with which they regard every scheme emanating from Bucarest, that if the Russians would decide to cross the Dniester they would be hailed as liberators.

Not that the Bessarabians cherish any particular affection for the Russians and for communistic dogmas, but because there is after all a limit to human endurance to evils arising from such glaring maladministration. There is no hope for any amelioration; the Bucarest administration has demonstrated its incapacity to reform itself, and the only hope there may be of placating Bessarabia is the granting of a regional autonomy that may save her from casting longing glances at Bolshevik Russia across the Dniester. As the writer does not wish to be accused of exaggeration or of being imbued with unfriendly feelings towards Rumania, he will proceed to give a description of the position in Bessarabia by an interpolation of various excerpts culled from newspapers that he

323 bought at random during his brief stays in Rumania. These
647 quotations have not been specially selected and they may be considered as generally descriptive of what is being said on Bessarabia in the Rumanian press. If one were to study the latter assiduously there is no doubt that a vast quantity of incriminating matter could easily be adduced to form a most damning indictment of the incapacity of Rumanian governments.

661 " Lupta," Dec. 8th, 1931 :—After the union, the men who
563 were most compromised were dispatched there to work for
647 the spiritual unification of the nation; at any rate they were individuals utterly incapable of understanding the ideal or the scope of the mission which had been confided to them. The administrative authorities were constituted entirely of the scum of the political parties of the old kingdom. It is to these social dregs that the errand of infusing into the Bessarabians a sentiment of confidence in us was entrusted. How they fulfilled this mission, how they alienated even those who trusted us, is well known. Bessarabia was and remains a sort of land of promise for those desirous to grow rich quick . . . not by honest means . . . after a self-imposed exile accepted solely for this purpose. Enrichment being the sole initial and final aim of these propagandists sent out from the old kingdom, they inaugurate a state of affairs which conforms with their pursuits. Persecutions of all sorts, inquisitorial constraints of all manifestations of collective and individual liberty. All corners of Bessarabia were represented as fertile for the culture of Bolshevism. For thirteen years we have heard of nothing else concerning this province save terrorist plots and communist actions all purporting to aim at the dissolution of the Rumanian State. Those interested, created purposely a state of affairs that completely denaturalized existing facts and finally succeeded in imposing their conception on "the administrative machinery of Bessarabia," &c. The paper concludes by relating how workmen and intellectuals are persecuted, imprisoned, subjected to all sorts of vexations by the Rumanian authorities at Kichineff and at other urban centres.

The " Cuvantul " of Feb. 20th, 1929, designates Bessarabia as " the sick man of Rumania." The Bratianu

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régime had consummated Bessarabia's ruin, and its people were dying of hunger. The irruption of the Rumanian army was not the triumphal arrival of a liberator but the invasion of a hunger-stricken horde. The requisitions for obtaining supplies both for the army and for the population of Moldavia, on account of the haste and disorder with which they were carried out, assumed the aspect of revolting spoliations and led the natives to ask "what sort of brothers are these hogs and these robbers?"

"Our army's attitude was both offensive and aggressive, in conformity with the usages of war, in short, that of an army of occupation in an enemy country. When the time came to organize the civil administration of Bessarabia, very few of the regular functionaries agreed to be transferred to a remote and unsafe province. . . . Adventurers, those who had nothing to lose and who were under the threat of being dismissed or imprisoned, accepted to join in this "campaign to Siberia" in the hope of being rehabilitated or of becoming rich. For a long time the transfer of a civil functionary to Bessarabia was considered as a redoubtable disciplinary sanction. . . . ."

"The Bessarabians have found out what elements we can contribute to the restoration of their former material prosperity. These are poverty, demoralization, political debauchery, a decade of violence, fraud and illegality. Hence the permanent hostility with which they regard us; a state of irritability which is maintained owing to the prevailing wretchedness."

The main responsibility for this astounding state of affairs should be ascribed to the Bratianus, who inaugurated and maintained this system for ten years. When finally they were ejected from office, their Bessarabian partisans began to quarrel among themselves and attack most virulently their former regional leader, M. Inculeț. They started a paper called "The Voice of Bessarabia" in 1929, in which their former leaders were denounced as vulgar and dangerous adventurers, robbers and criminals. As for their former local chief Inculeț, he was accused of having retired to Jassi in order to enjoy in peace the thousands of millions he had accumulated by a triple betrayal of Russia, Bessarabia, and

000 no better than a pig." If we take into consideration that according to L. T. Hobhouse "the whole system of moral tradition governing the life of a society is evolved from the practical impulses and feelings at work in the past and present," we may easily comprehend that the aspects of social life as revealed by current events in Rumania, show a natural process which could not be altered or deflected except by titanic efforts of re-education. We have no right, therefore, to blame the Rumanians for what we may consider to be grave lapses, but which they prefer to interpret differently, for after all, as A. R. Wallace affirms in his "Social Environment and Moral Progress," "morality is not wholly due to any inherent perception of right or wrong conduct, but is to some extent a matter of convention varying with the degree and kind of social development attained." And this opinion is confirmed by L. T. Hobhouse, who, in his book "Morals in Evolution" states "the instinctive in human morality is by no means an unfailing power implanted by nature in all men to distinguish right from wrong." Rumanian youth continues to cherish the traditional Phanariot ambition of enriching itself through access to a public post; other careers are neglected and looked askance at. They are left to the more enterprising Jewish element, which owing to its energy and capacity has taken complete control of Rumanian trade and banking. Through the neglect of the commercial professions, Rumanians have hampered the formation of a middle class which, more than any other element, is conducive to the creation of stability and a vigilant public opinion. The public functionary class is an unstable element, and as it enjoys no security of office but depends for its tenure on the favours of politicians in power, it naturally follows that it easily lends itself to corruption, and all the more so seeing that it is disgracefully underpaid. In a lettter published by the "Argus" on 16th May, 1932, it was averred that the number of public functionaries amounted to 500,000. (Including the staff employed by municipalities). The number could easily be halved, and the administration would stand to gain both in efficiency and thoroughness by such a reduction. Greece, with a population amounting to one-third that of Rumania, had a

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total of only 43,943 functionaries (exclusive of those employed by municipalities. Even this figure was considered excessive, and a decree was enacted prohibiting for a series of years the creation of fresh posts and the nomination of new functionaries to vacant posts in order that their number might be reduced. In Rumania such a measure is hardly likely to be enacted, for every politician must have the possibility of providing the more important of his electors with sinecures, for otherwise how would he induce them to vote for him? This is how the principle of public solidarity is understood and applied ! Amongst us, state functionaries are considered as the servants of the public, in fact their function is revealed by the appellation under which they are designated; they are, in fact as well as in name, public servants. Rumanian functionaries are, one must admit, on the whole both courteous and obliging, especially to strangers, but such services as are rendered must be requited. Since the State barely remunerates them, it is obvious they have to secure their means of livelihood somewhere. Of course no tariff is posted up in Government offices as to the amount of pecuniary compensation expected for the services demanded; *that* is a matter left to the discretion of the person soliciting the service, but a solatium of some sort has to be given to the functionary, as otherwise you will be made to feel the tediousness of waiting in a usually stuffy office. It is not surprising that such methods have gradually evinced probity from amongst the administrative personnel and made room for a venality which is occasionally exhibited so brazenly as to impel such an attentive observer as Mr Charles Wood to declare " there is nobody and nothing in Rumania who and which cannot be bought with money." (Contemporary Review, February, 1921.) Though the country teems with acts of maladministration there are yet many excellent, honest and plodding functionaries, who are all the more meritorious since they are neither properly remunerated nor encouraged for their loyal service to the State. This proves that if the Civil Service was placed beyond the withering influence of politics, stability of occupation guaranteed, and decent remuneration offered, a remedy for the ills which afflict Rumania would easily be devised. There

647 are certainly no insuperable obstacles to the removal of what
465 constitutes a drain on the strength and probity of the country,
661 which is being visibly weakened in every sphere of administration.

The following article, which was published in the "Lupta" of Dec. 17th, 1931, is instructive as to the manner in which public functionaries behave in order to supplement the scanty salary they draw from the State and which generally does not suffice to keep them alive.

647 It is obvious that no civilized State would tolerate methods
651 which in Rumania are benevolently winked at. There is no
499 doubt that the evil could easily be remedied if functionaries
661 were decently paid. The increased outlay for the State which this would involve would be largely compensated by a more conscientious performance of duty by the administrative staff. For instance, it is well known that owing to the high duties in force, smuggling on a colossal scale is being carried on with the connivance of officials, with the result that the State is defrauded of millions. M. V. Madgearu, former Minister of Finances, openly admits it in his book "Rumania's New Economic Policy," published in English, on page 39 of which we come across this astounding statement: "It has been shown that while pre-war Rumania imported about 70,000 kilos of natural silk, united Rumania registered the importation of only 1,000 kilos in 1927. It is well understood that the rest has been imported through smuggling." On a rough computation this item alone would account for an annual loss of some 50 million lei to the revenue.

But, apparently, blackmail is even more lucrative than smuggling, according to the article referred to in the "Lupta":—

647 "Truly, *smuggling* constitutes a source of big revenues for
651 the State. Not bona-fide smuggling which involves the
661 introduction of goods into the country without the disbursement of duties. This latter sort of smuggling is never discovered, or if discovered is rapidly hushed up with the connivance of the ablest pillars of the Ministry. The principal sources of revenue from smuggling are derived from the hypothetical variety, when for instance an anony-

mous letter of denunciation reaches the Ministry concerning a commercial or industrial firm. This is immediately followed by a close investigation of the firm's books. Though no trace of contraband may have been found, yet rumours of high fines to be imposed on this firm get into circulation. Its owners make desperate efforts to dissipate them. The firm's bank announces that its overdraft will be suspended until the matter is cleared up. The merchant who cannot wait for a judicial examination of the charge brought against him, nor engage in protracted discussions with the Ministry, finding his credit at the bank has been suspended, endeavours to strike a bargain. He will offer 10%, occasionally even only 1% of the amount of the fine with which he has been threatened. The State pockets 80% of the sum thus offered and the zealous inspector who has "discovered" the reported contraband appropriates the remaining 20%. Why should these sums indeed be rejected? Such tactics, when employed by a clever functionary or inspector, will soon allow him to become the owner of palaces and buildings in the capital. Such is the just reward of labour!"

And in conclusion the "Lupta" advises the Ministry of Finance as to the measures it ought to take to prevent merchants from suffering unduly from the blackmailing activities of its financial inspectors!

That blackmailing and extortion are not unusual practices may be inferred from the following announcement appearing in a Bucarest daily on 15th March, 1929:—"The tribunal of Cluj having received an endless number of complaints and denunciations against Lieut.-Colonel Mihai, of the gendarmery, lately occupying the post of Police-Prefect at Cluj during the Liberal régime, has transmitted them to the judicial procurator. The investigations which are being pursued prove that the charges are well founded and that this Liberal terrorist had extorted moneys through blackmail from high class people while he was police prefect in the capital of Transylvania. Those who suffered most from the exercise of the functions of the accused (sic), were merchants, who, if they failed to deliver to the prefect the sums or goods demanded, were subjected to tortures and heavy fines and were threatened with the closing of their

647 shops and the confiscation of their goods." The most sensational administrative affair in Rumania was undoubtedly 697 that of the prison scandals of 1926, which gave rise to lively 661 press comments throughout the continent and thanks to which the author of these scandals won widespread notoriety.

The following details concerning the methods in vogue in penitentiaries were given by the Bucarest "Socialismul" on May 16, 1926, on the occasion of the reported arrest of the notorious Cernat. . . . . "Directors and warders, seeking to grow rich rapidly, divide among themselves the moneys destined for the prisons. They appropriate both the food and the clothing set apart for those under arrest, they extort money from those better off, receive bribes in exchange for privileges, or force prisoners to work for them. The arrest of Major Cernat, who was appointed Director-General of Prisons while awaiting his appointment as Chief of the State Police Service, is no satisfaction for us. For we know that this man will be as well off in prison as at his home. We know further that in a few weeks or in a few months he will walk out free, with his head erect, for in our well-ordained country a big swindler has never been condemned or imprisoned, indeed it would be a crying injustice were such a thing to happen, since all our rulers have made their fortunes by similar dishonest practices."

697 The "Aurora" of June 3rd, 1926, reported the arrest of the directors of the penitentiaries of Doftana and Galatz, and gave details concerning the sums embezzled by these worthies. The system of imprisonment inaugurated by these clever rogues, however, deserves being enlarged upon as it is both amusing and illuminating. The following lucid and jocund report appeared in the French newspaper "Paris-Midi" on 17th June, 1926:—

"The Thousand and one joys of Rumanian Prisons."

"Bucarest. June 17th. Major Cernat, Director-General of Rumanian prisons, as well as the directors of several other penitentiary establishments, have been arrested. They are accused of failing to carry out their duties and of having shown too great indulgence towards the prisoners. Bucarest newspapers publish astounding details following on the

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such methods the conviction is instilled among the humble and meek that sanctions, and punishments as provided by the law are only destined for them, while the higher classes are exempt from penalties. . . ."

THE ECONOMIC SITUATION FOLLOWING THE WAR

At the end of the War Rumania was confronted with a series of problems, the magnitude and difficulty of which might well have strained an economic organization far more powerful than her own. The assimilation of the various segments that had belonged to the neighbouring States, of a total area and population about as large as that of the pre-war kingdom, was a formidable task that necessarily demanded the utmost exertions and self-sacrifice on the part of the Central Government. The impossibility of recruiting an adequate administrative staff for the newly-annexed territories, forced the central authorities to draw on their own of the old kingdom, with the result that the vacancies created were filled with inexperienced persons whose appointment was, according to the prevailing fashion, mainly due to favouritism. This resulted in a serious lowering of the standard of the Civil Service, which even during pre-war times had never been distinguished for its efficiency. There were plausible arguments for avoiding the enlistment of men of ex-enemy nationality at times when it was necessary to guard above all against every subversive movement against the integrity of the State; but at the same time the pressing of men into the service of the State who were in no way proof against the seductions of easily-acquired wealth involved risks that were equally detrimental to the State. On the one hand it undermined the financial stability of the State by deflecting from the national exchequer to the pockets of its servants resources destined for the former; and on the other hand, these shortcomings of its agents gravely compromised the prestige of the State in the newly-annexed regions, where such a system of subornation and corruption was something of a novelty.

BUDGET AND NATIONAL REVENUE

It is obvious that the present administrative machinery is too sumptuous an affair and that Rumania cannot afford to continue to live on such an ostentatious scale. Retrenchment is imperatively needed as well as a rapid return to methods of austerity, however disagreeable these may be to a people who are naturally inclined to profligacy. A drastic economy could be effected by the dismissal of well over 50,000 State functionaries who are superfluous. The *Revista Functionarilor publici*, their mouthpiece and organ, admits that in 1914 the number of State functionaries was 90,334. The war brought about a territorial increase of 216 per cent, so that proportionately the number of functionaries should be 195,133, but by 1930 there were as many as 245,187, or about 50,000 more than necessary. But apparently this total does not disclose the whole truth, for the writer was able to ascertain that while, according to the figures published in the above paper, the Ministries of Public Instruction, Home Affairs, and War had respectively 68,977, 28,894, and 32,630 public officials at the end of 1931, the numbers figuring on their respective pay-lists were 82,821, 31,318, and 33,533. To these enormous armies of officials should be added the staffs employed by the municipalities, etc., which would bring the total number up to nearly half a million. That public opinion is fairly alert on the matter and expects a drastic cutting down may be inferred from the following open letter published in the *Argus* for 16th May, 1932, which is of particular interest from many points of view:

"Rumania has a population of 18 millions, of which only 13 millions are Rumanians by race. Out of the 500,000 public functionaries 99 per cent are Rumanians by race, and a bare 1 per cent is recruited from among Hungarians, Germans, Jews, and Ukrainians. The proportion of the non-Rumanian elements in the public services is therefore infinitesimal, which proves that some 5 millions of people can live without constituting a charge to the budgets of the State, municipalities, and 'régies.' Why should not Rumanian functionaries once dismissed from the public services be able to fend for themselves as do those members of the ethnic minorities who receive no support from the budgets?"

It is admitted publicly that over 100,000 functionaries

647 652 could be dismissed without the working of the administrative machine being impaired in any way, and several instances are given of the plethora of officials. M. Bratanescu, deputy for Tighina, for example, pointed out in the Chamber that in his town, with a population of 31,698, there were 130 teachers, but as there were not enough children for each to have a full class, whenever an inspector came down, each teacher used to borrow children from the other classes in order to complete the number of his own so that he might escape being reprimanded by the inspector.

652 657 Another head on which various economies could be effected is pensions, which absorb about one-fifth of the total revenue, and many of which are served out to people who have not the slightest justification for drawing them. The tendency to spend overmuch for the upkeep of the social services is a characteristic trait of Rumania and was noticed and commented on many years ago by one of her distinguished social writers, M. C. Dobrogeanu-Gherea, in his work "Neoiobâgia." Referring to the period 1910–1911, he pointed out that the State budget and those of the communes absorbed over one-third of the national revenue, and what remained for the subsistence of the population amounted to 123 gold lei per head, or almost 4,000 lei, a figure closely approximating to the 3,955 lei which, according to the calculations given above, represented the net income per head for 647 1930. The above-cited writer condemned very caustically 652 the profligate methods of the administration as likely to bring the State to ruin:

"By withdrawing annually from production these big sums and lavishing them on a parasitic bureaucracy, the State sets the example of a mad waste . . . by letting the bureaucracy spend extravagantly what the other classes create by hard toil, people form the illusion that this country is very prosperous and that it is easy to live in it comfortably. . . . This hypertrophy of the State organism is one of the most pernicious sicknesses which attack modern societies." (p. 455.)

647 651 It is indeed a great pity that no political party ever endeavoured to tackle the problem of thoroughly overhauling the administrative machine of the country, but that instead

a policy of drift has so far been practised. The alarming falling-off in the revenue receipts is nevertheless a disquieting sign which ought to impress sufficiently the Rumanian authorities, and rouse them from their apathy, if they are to avoid the disaster they are heading for. For the drying up of the revenue is not entirely due to fraud, but also to the gradual pauperization of the masses. The *Cuvantul* of December 29th, 1928 wrote as follows:

"There is no country where fiscal fraud is so intensely practised as in Rumania . . . though fraud is due partly to the unjust distribution of the fiscal charges. A sane fiscal policy should take into consideration that the ratepayer is poor. We should not be far wrong if we affirmed that at least 80 per cent of the population are in debt. If these 80 per cent of the population toil in order to pay off their debts, or only the interest on their debts, how can the State expect to raise from them what it needs for the public services? . . ."

Rumania's main source of income is her export trade. All other items are of secondary importance and can hardly offset the important payments she is obliged to make on behalf of her indebtedness abroad. During the years 1930 to 1931 there was an excess of exports over imports which enabled her to meet her payments abroad, all the more so since foreign capital invested in Rumania is no longer productive and therefore next to no interest on it is being actually remitted. On the contrary, it may be said that, owing to the crisis, foreign enterprises in Rumania require financial aid which is being supplied from abroad, a process which helps to offset the total of foreign payments Rumania has to make. An automatic equilibrium has therefore been attained which allows Rumania to face her payments abroad without drawing on her gold reserves or necessitating her to have recourse to foreign borrowing, and this situation will be maintained so long as she continues to have plentiful harvests as those of 1930 and 1931 and her population remains in its present state of poverty, which prevents it from purchasing foreign articles, a state of things which explains the present excessively low figure of imports. Of course these recent years cannot be taken as representative of normal times, and for this purpose a table showing the balance of payments during

728 made, that "it is to be hoped that such exaggerated demands will be disallowed at the future Conference. The possession of Arad, with its poignant sentimental associations for the Magyar race, would be a permanent challenge to Hungary and would embitter tenfold her relations with Rumania, which must at the best be strained for many years to come." ("Rumania and the Great War," page 96.)

With regard to Bucovina, Rumania secured more advantageous frontiers than those the Allies had promised to concede her in 1916. She obtained the line of the river Dniester as her northern frontier.

The decision with regard to the Banat was not so favourable for Rumania, for the Yugoslavs insisted on incorporating the western part, which was peopled mainly by Serbs, and they protested against the allotment to another Power of a territory which stretched right up to their capital, Belgrade, and would have placed the latter under a permanent menace from another state. In consequence the experts of the Conference had to adjust the frontier as best they could, guided mainly by the principle of nationality. The arrangement is not particularly auspicious, as a small Yugoslav enclave cuts the railway line Temesvar (Temişoara)—Bazias, and leaves the latter town isolated from Rumania. The various nationalities inhabiting the Banat are, however, so intermingled that it was next to impossible to reach a more satisfactory solution.

THE POST-WAR PERIOD.

661 On Bratianu's[1] resignation, in consequence of the
• 648 presentatic · of an ultimatum by the Allies in October,
[728] 1919, King Ferdinand formed a Cabinet presided over by General Vaitoanu, with a mandate to call a general election.

A strong majority composed of heterogeneous left groups was returned, out of which a Cabinet presided over by Dr Vaida-Voevod was formed. He entered upon the difficult and ungrateful task of dispelling misunderstandings with the Entente and signing the Peace treaties. No sooner, however, had this been accomplished, than Dr Vaida-Voevod, while

[1 Theodor Rumanian delegation to the peace conference, acting prime minister, and leader 32 of Liberal Party -- Analyst]

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different seasons in 1942, the employer also receiving food :—

Period	*Men*	*Women*	*Juveniles**
Spring—June 15th	75	50	40
Summer—Sept. 1st	100	75	50
Autumn and winter	60	40	30
Average for 1937†	40	32	21

(i.e. official money wages have almost doubled and food is now supplied.)

* 14-18 years. † Without food.

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3. Civil Service

In August, 1941, the average monthly wage for a civil servant was 2,200-4,000 lei (presumably for non-administrative grades). Beyond this there is no information on actual rates paid, except for a reference in December 1942 to "Ministry Advisers," whose wages were 72,000 lei per month. However, there are frequent references to increased wages for state officials, and especially of increased family allowances, e.g. in October 1941 the allowance per month for children of civil servants was 500 lei per child. By October 1942 it had been increased to 750 lei per child for families living in the country, and 1,000 lei per child for families living in the town.